

	<p align="center">Department of Administration</p> <p align="center">State of Montana</p> <p align="center">Issued by: The Risk Management & Tort Defense Division</p> <p>Subject: Vehicle Insurance A summary of state vehicle liability and comprehensive/collision damage insurance and program requirements.</p>	<p>Number: RMTDINS0709</p>
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		<p>Approval: Brett Dahl</p>

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I. DESCRIPTION

In accordance with §2-9-201, the Risk Management & Tort Defense Division administers a comprehensive insurance plan in behalf of state government. In accordance with §2-9-305, MCA, the division defends and indemnifies the state and its employees in any TORT claim for damages arising from the lawful discharge of official duties rendered or which should have been rendered in the course of employment and within the scope of duty. This document provides a summary of vehicle liability and comprehensive/collision coverage provided by the Risk Management & Tort Defense Division. Do not attempt to interpret coverages, limits, or exclusions and apply these to state activities without contacting the division. Specific exclusions, limits, or coverages may apply.

II. DEFINITIONS

Agency means the State of Montana or any office, department, agency, authority, commission, board, institution, hospital, college, university, or other instrumentality thereof.

Claim means any claim against a governmental entity, for money damages only, which any person is legally entitled to recover as damages because of personal injury or property damage caused by a negligent act or wrongful act or omission committed by any employee of the governmental entity while acting within the scope of his/her employment, under circumstances where the government entity, if a private person, would be liable to the claimant for such damages under the laws of the state. For purposes of the state statute and limit of liability contained in §2-9-108, MCA, all claims that arise or derive from personal injury to or death of a single person, or damage to property of a person, regardless of the number of persons or entities claiming damages thereby, are considered one claim.

Damages means judgment awards, settlements, penalties and awards of plaintiff's costs.

Division means the Risk Management & Tort Defense Division.

Employee means an officer, employee, or servant of a governmental entity, including elected or appointed officials, and persons acting in behalf of the government entity in any official capacity temporarily or permanently with or without compensation, but the term employee shall not mean a person or other legal entity while acting in the capacity of an independent contractor under contract to the governmental entity.

Mobile equipment means a land vehicle, to include machinery or any apparatus attached thereto, whether or not self-propelled, which is not subject to motor vehicle registration, maintained for use exclusively on premises owned by or rented by to the State of Montana including the rights-of-way, immediately joining such premises, designed for use principally on off-public roads or designed and maintained for the sole

purpose of affording mobility to equipment.

Personal Injury means any injury resulting from libel, slander, malicious prosecution, or false arrest, any bodily injury, sickness, disease, or death sustained by any person and caused by an occurrence for which the state may be held liable.

State means the State of Montana or any office, department, agency, authority, commission, board, institution, hospital, college, university, or other instrumentality thereof.

Vehicle means a land motor vehicle, semi-trailer, snowplow, or other vehicle designed for travel on public roads, to include any machinery or apparatus attached thereto. It also includes some mobile equipment with the existence of prior written agreements with the Risk Management & Tort Defense Division.

III. VEHICLE COVERAGE – INSURING AGREEMENT

Subject to the provisions of this policy, the state self-insurance plan provides the following coverage:

- A. Pursuant to statute, the division will pay those sums that the state, its employees, and other authorized individuals become legally obligated to pay to third parties (i.e. parties other than the state) as tort damages because of bodily injury, property damage, or other tort damages caused by a negligent act or omission of the state and resulting from use, ownership, or control of covered motor vehicles, mobile equipment, and watercraft provided that the use of the vehicle is in furtherance of the state's mission and business as defined in the state vehicle use rule.
- B. The division will bear all reasonable costs to investigate and defend the claim, and to pay any damages to third parties which are determined to be reasonable through settlement or until final judgment has been obtained or until remedies by appeal, writ, or other legal proceedings have been exhausted provided that the use of the vehicle is in furtherance of the state's mission and business as defined in the state vehicle use rule.
- C. Automatic comprehensive/collision coverage is provided for losses to vehicles leased from the Montana Department of Transportation Motor Pool in Helena provided the use is for less than 30 days and the vehicle is driven within the United States and Canada. Automatic comprehensive/collision coverage is also provided for vehicles leased from private rental car companies for less than 30 days where the lease requires the state to insure. This coverage is excess of any other insurance that the state is afforded through participation in rental or purchasing agreements. Employees should purchase comprehensive and collision coverage from a rental car company if the vehicle will be driven

outside the United States or Canada.

- D. Comprehensive/collision coverage for other vehicles owned/leased/rented by the state is provided only if the vehicle is reported to the Risk Management & Tort Defense Division and listed on the state property/casualty insurance information system.
- E. Automatic vehicle liability coverage is provided for vehicles acquired during the year at no additional cost. Conversely, rebates of premium for vehicles sold, surpluses, or disposed of, will not be given.
- F. State employees are encouraged to use state-owned vehicles while enacting state business. Employees utilizing personal vehicles shall carry their own insurance and are encouraged to work with their insurance agent to assure that they have 'business use' protection.

IV. EXCLUSIONS

The state's policy does not cover:

- A. The conduct upon which a liability claim is based if such conduct constitutes oppression, fraud, malice, or for any other reason does not arise out of the course and scope of the employee's employment as defined in §2-9-305, MCA.
- B. The employee compromised or settled the claim, without the consent of the Risk Management & Tort Defense Division.
- C. The conduct of the employee constitutes a criminal offense as defined in Title 45, Chapters 4 through 7.
- D. The employee failed or refused to cooperate reasonably in the defense of the case.
- E. Liability assumed under contract.
- F. Vehicles or mobile equipment for comprehensive/collision coverage that are not listed on the state property/casualty insurance information system and without approval of the division.
- G. Physical damage or liability coverage for state employees that use their personal vehicles.
- H. Any personal injury or property damage to a state employee and his/her property from an uninsured motorist. Damages arising from these claims are usually covered under workers' compensation, auto, health, disability, or other insurance policies.
- I. Physical damage including, but not limited to maintenance, wear and tear,

rot, corrosion, rust, decay, or for any other reason associated with prolonged exposure to weather, failure to maintain, or mechanical defect.

V. PROGRAM REQUIREMENTS

- A. Early contact and investigation can be critical to loss control. State agencies must report any claim involving a fatality or catastrophic loss to the Risk Management & Tort Defense Division in writing within 24 hours. All other claims must be reported as soon as possible, preferably within 5 business days. Please complete the 'Report of Incident' found on the division's website under 'Claims.' Use telephone or other electronic means for such serious accidents.
- B. Agencies desiring comprehensive/collision coverage on a vehicle must notify the Risk Management & Tort Defense Division in writing. Coverage will become effective upon written verification of the request or acceptance of the submission by the division. All other data that pertains to vehicles must be reported on the state property/casualty insurance information system by April 15th of each fiscal year.
- C. If the Risk Management & Tort Defense Division defends or pays damages on a claim, the division has the right to recover costs or damages from any party in connection with the claim.

VI. SPECIAL SERVICES

- A. The Risk Management & Tort Defense Division provides risk management consulting services to state agencies to help them reduce or prevent claims and losses. The division may be able to assist you to formulate a loss control plan.
- B. The Risk Management & Tort Defense Division provides defensive driver training to state agencies to assist state employee drivers to be more safety conscious and defensive.
- C. Upon request, the division can provide a summary of agency loss history and loss trends to assist state agencies to identify problematic trends and patterns.
- D. For coverage outside of these territories, for mobile equipment/watercraft, or for coverage for more than 30 days, agencies must request coverage in writing and pay the appropriate premium to the Risk Management & Tort Defense Division. Comprehensive collision coverage for state vehicles not otherwise provided above is offered only upon request from state agencies.

VII. LIMITS

The state self-insurance fund pays up to \$750,000 per claim/\$1,500,000 per occurrence for tort liability claims. For collision claims, the division pays reasonable market value (actual cash value) of the vehicle.

VIII. DEDUCTIBLES

There are no deductibles for liability claims (i.e. personal injury or property damage to third parties). There is a \$250 deductible for comprehensive/collision coverage on state owned or leased vehicles unless the agency has opted for a different deductible or there is a prior written agreement with the Risk Management & Tort Defense Division.

IX. PREMIUMS

Each agency's standard biennial premium is its share of actuarially estimated state tort liability loss expense. Each agency's share is based upon paid losses in relation to total state paid losses. Premiums are payable to the Risk Management & Tort Defense Division.

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